

By Vivien Lou Chen

Oct. 10 (Bloomberg) -- Federal Reserve Bank of Atlanta President Dennis Lockhart said the U.S. probably doesn't face the prospect of a "lost decade" similar to the economic challenges that beset Japan during the 1990s.

The Fed has "taken pretty serious action to date," Lockhart said today, citing emergency lending and interest rate cuts by the central bank. "I have no expectation that we're going to see a lost decade that, unfortunately, Japan experienced," he said during a panel discussion at Stanford University in Stanford, California.

Stocks tumbled worldwide and commodities slumped amid growing concern international efforts to revive financial markets will fail to head off a recession. The Standard & Poor's 500 Index fell 5 percent to the lowest level since the start of the Iraq War in 2003, while stocks in Europe and Japan had the biggest weekly drop in at least 21 years

Rate cuts by the Fed totaling 3.75 percentage points in the past 13 months and loan programs by the central bank to commercial banks and securities firms have failed to revive lending among financial institutions.

The rout triggered by the collapse of the U.S. subprime mortgage market has cost banks and other financial institutions worldwide \$634 billion in writedowns and losses since the start of 2007. Firms have raised \$418 billion of capital in response.

Lockhart, 61, joined the Atlanta Fed in March 2007 and previously worked at Citigroup Inc. for 17 years.